



United States
Environmental Protection Agency, Region 9

FY2004 Oil Program Report

October 2004

OVERVIEW OF OIL PROGRAM AND ITS FY04 OBJECTIVES

In accordance with provisions of the Clean Water Act, as amended by the Oil Pollution Act of 1990, the Oil Pollution Prevention Program (Oil Program) regulates all non-transportation-related oil storage facilities for oil spill prevention, and monitors and responds to, as necessary, oil spills that present a significant threat to human health and the environment. The overall goal of the Oil Program is to minimize the number, size, and impact of oil spills into waterways and environmentally sensitive areas in Region 9 - Arizona, California, Hawaii, Nevada, and the Pacific Islands. To meet this goal, the Oil Program works cooperatively with industry and governmental agencies on spill prevention and response to ensure compliance with federal regulations.

Specifically, the Oil Program consists of five distinct functional areas that include oil spill prevention, oil spill preparedness, oil spill monitoring and response, oil enforcement, and outreach. In Fiscal Year 2004 (FY04), the Oil Program began a significant and ongoing effort to improve its activities related to these functional areas. As part of that effort, the Oil Program established the following objectives:

- To increase spill prevention compliance rates within the oil-regulated community;
- To resolve spill prevention and oil spill violations in a timely manner;
- To enhance outreach efforts to the oil-regulated community on spill prevention requirements, oil spill response, and oil enforcement; and
- To improve communication and coordination between local, tribal, state, and other federal governments on oil-related activities.

To meet these objectives, the Oil Program targeted inspections and exercises in environmentally sensitive areas, initiated expedited enforcement measures, joined state and county environmental task forces, and attended oil-related conferences. This report provides a detail summary of these and other FY04 activities related to each functional area.

OIL SPILL PREVENTION

Spill Prevention, Control, and Countermeasure Inspections

The Oil Program conducts inspections of facilities that are subject to the Spill Prevention, Control, and Countermeasure (SPCC) requirements. The purpose of the SPCC requirements are to prevent the discharge of oil into waterways. To comply with these requirements, a facility must establish procedures, methods, and install proper equipment to prevent an oil release if the facility stores greater than 1,320 gallons of oil or oil-related products in aboveground storage tanks, and due to its location, would be reasonably expected to release oil in harmful quantities into a waterway.

In FY04, the Oil Program conducted 67 SPCC inspections to assess a facility's compliance with the SPCC requirements. Inspected facilities were selected based on the facility's proximity to a waterway, its potential to contaminate drinking water supplies and environmentally sensitive areas in the event of a release, and whether it is a production or marine terminal facility. Of the 67 inspections, one inspection was conducted in Arizona and 66 conducted in California. Unlike previous years, the Oil Program conducted no inspections in Hawaii or Nevada.

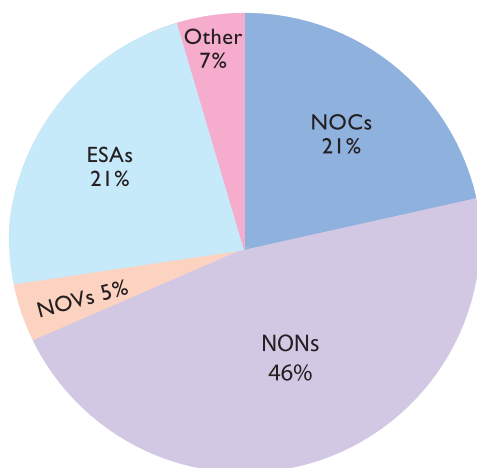


An example of secondary containment for a large tank farm, as part of the SPCC requirements. Photo courtesy of P. Reich.

SPCC Compliance and Noncompliance

Based on the 67 inspections, 14 facilities were in compliance with the current SPCC regulations at the time of the inspection. In contrast, 48 of the facilities inspected were in non-compliance with violations ranging from minor, such as inadequate facility security, to more severe violations, such as failure to have secondary containment for bulk storage tanks or failure to prepare a SPCC plan. Of these, 31 facilities had minor violations that resulted in Notices of Non-compliance (NON), and 14 facilities had moderate violations that resulted in Expedited Settlement Agreements, or ESAs. Only 3 facilities were issued a Notice of Violation (NOV) for severe violations. Five facilities were found to be no longer SPCC regulated at the time of the inspection. However, based on the number of NOCs or NONs issued, most of the facilities inspected in California are in compliance with or have only minor violations of the SPCC regulations.

Distribution (%) of FY04
SPCC Inspection Results



A majority of FY04 SPCC inspections resulted in issuing NOCs and NONs to facilities that are in compliance or have very minor non-compliance issues.

OIL SPILL PREPAREDNESS

Facility Response Plan Review and Exercises

In addition to oil spill prevention, a strong focus of the Oil Program is oil spill preparedness to ensure that facilities that store large amounts of oil have the capability to adequately respond to an oil spill. As part of the Clean

Water Act, certain facilities that store and use large amounts of oil are required to prepare and submit plans to respond to a worst case discharge of oil and the substantial human health or environmental threat of such a discharge. These plans, referred to as Facility Response Plans (FRPs), are developed for responding to the maximum extent practicable to a worse case discharge of oil at a FRP-regulated facility. Specifically, a FRP-regulated facility must be a non-transportation-related facility with a total oil storage capacity greater than or equal to 42,000 gallons if transferring oil over water to and from a vessel or a facility with a total storage capacity of greater than or equal to a million gallons and that is located near a public drinking water intake system or sensitive ecosystem. To ensure that FRP-regulated facilities can adequately implement their FRP and respond to oil spills, the Oil Program reviews FRPs and selects facilities to perform a simulated oil spill response known as an unannounced exercise.

In FY04, the Oil Program reviewed 14 FRPs and led 12 unannounced exercises at a variety of oil storage facilities in California and Nevada. All of the FRPs that were reviewed met the general requirements of the FRP regulations. For instance, many of the FRPs reviewed included recent updates on facility design or construction that may affect or alter a facility's response to an oil spill. Of the 12 unannounced exercises conducted, 11 met the requirements of the exercise. The basic requirements to successfully perform an unannounced exercise include immediate spill notification to the National Response Center and timely deployment of spill response equipment.



An example of the deployment of oil recovery boom during an unannounced exercise. Photo courtesy of H. Allen.

OIL SPILL MONITORING & RESPONSE

Despite a facility's best effort to prevent spills, many oil spills are reported each year in Region 9. In FY04, EPA emergency response personnel responded to 8 oil spills that resulted in EPA oversight. The Oil Program provides EPA emergency response personnel with SPCC information and oil enforcement support. The most notable spills are discussed below and include the Huntington Beach oil well spill and the Suisun Marsh pipeline spill.

Huntington Beach Oil Well Spill

On March 16, 2004 an oil well released 6,720 gallons of crude oil and oily-produced water into a residential area located in Huntington Beach, California. The release was caused by an improperly plugged well. The oil spill impacted nearby vegetation and homes, and entered the local storm drain system that leads to the Pacific Ocean. Although no human health or environmental impacts were observed, EPA emergency response personnel issued the responsible party an EPA order to ensure adequate cleanup of the oil spill. On March 18, 2004 the Oil Program conducted a SPCC inspection of several oil storage tanks associated with the oil well. The inspection identified moderate violations such as inadequate secondary containment for the storage tanks. The site is currently free from all oil-contaminated soil and vegetation and the responsible party is in compliance with the EPA order and the SPCC regulations.

Suisun Marsh Pipeline Spill

On April 27, 2004 an underground transportation pipeline ruptured and spilled 103,068 gallons of diesel fuel into the Suisun Marsh located in Suisun City, California. Suisun Marsh is an environmentally sensitive area important to migratory waterfowl and the federally-listed Salt Marsh Harvest mouse. The spill resulted from the external corrosion of the fuel pipeline. Although several species of birds and mammals, including the Salt Marsh Harvest mouse, were impacted by the spill, the full extent of the environmental impacts is incomplete. The U.S. Coast Guard and the responsible party provided initial oil recovery operations. However, on May 28, 2004, the U.S. Coast Guard requested that EPA become the lead federal agency to oversee the removal and remediation of oil-contaminated soil. Cleanup and soil remediation at the site is now complete. As of September 2004, the levels of diesel in soils at the site were significantly below

environmental thresholds and do not currently present a risk to human health or the environment. The Oil Program is currently working with EPA emergency response personnel on potential enforcement actions.

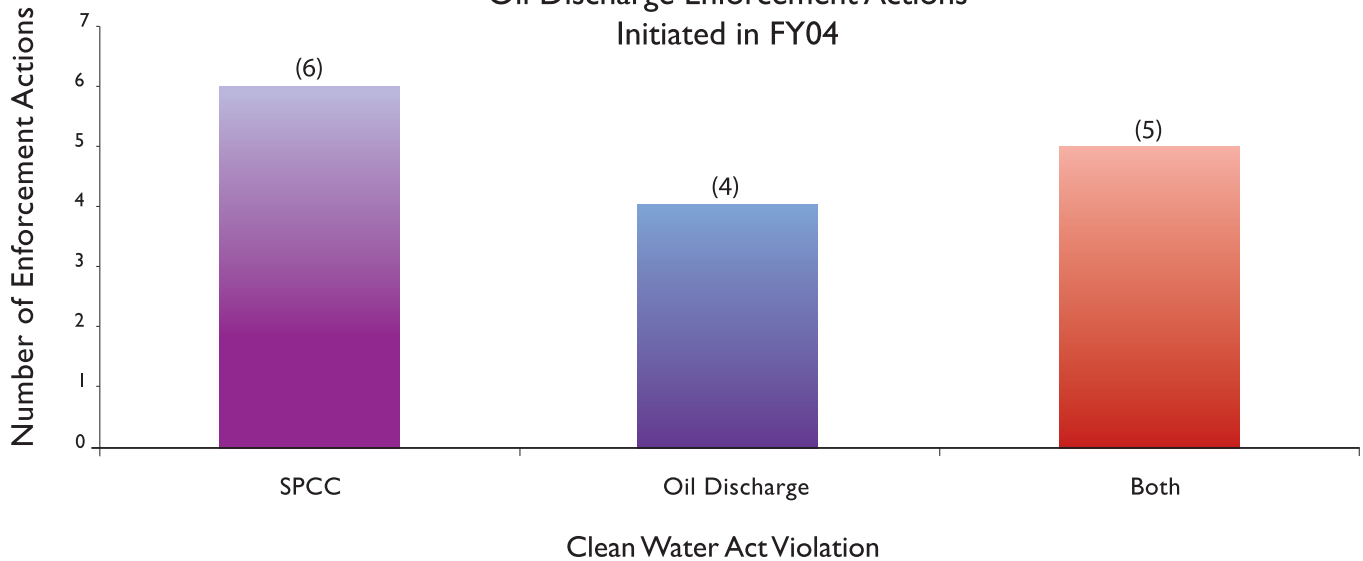


EPA response to the April 2004 diesel spill into Suisun Marsh, Suisun City, California. Photo courtesy of H. Allen.

OIL ENFORCEMENT

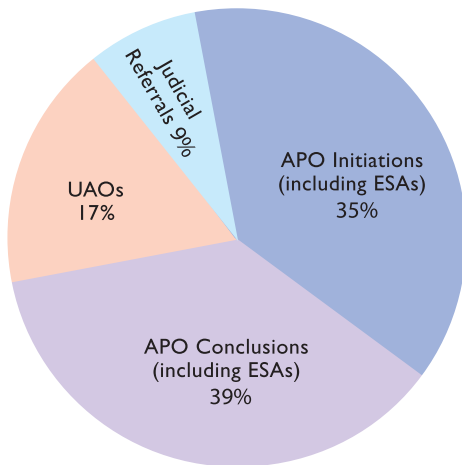
The Oil Program considers FY04 one of the best years for oil enforcement in Region 9. For example, the Oil Program exceeded its FY04 projections on the issuance of Administrative Penalty Orders (APOs) and APO conclusions, and judicial referrals for oil discharge and SPCC violations. Of the 23 enforcement actions initiated in FY04, the Oil Program issued 8 APOs and concluded 9 APOs. The APOs included the ESAs issued for SPCC violations and traditional penalty complaints for oil discharge. ESAs are similar to traditional penalty complaints but include smaller penalties (up to \$2,500) and are restricted to moderate SPCC violators. ESAs for SPCC violations were first introduced this year and have proven to be a successful enforcement tool for gaining SPCC compliance in a timely manner. As a result, ESAs for oil spills will be initiated in FY05. In addition to APOs, the Oil Program issued 4 Unilateral Administrative Orders (UAOs) to require facilities to clean up an oil spill, and submitted 2 referrals to the U.S. Department of Justice for enforcement consideration.

Comparison of SPCC and Oil Discharge Enforcement Actions Initiated in FY04



In FY04, the Oil Program initiated several enforcement actions for SPCC and oil discharge violations. Due to the introduction of ESAs in FY04, the majority of the enforcement actions taken were for minor to moderate SPCC violations. The number of enforcement actions for oil discharge only and for violations of both SPCC and oil discharge were slightly lower.

Distribution (%) of Total FY04 Enforcement Actions



A majority of FY04 oil enforcement actions were APOs that were concluded this year through the collection of penalties. These APOs included penalty orders that were issued in FY03 and FY04 and ESAs that were initiated in FY04.

OUTREACH

An important function of the Oil Program is to provide outreach to various groups and organizations on Oil Program activities. In FY04, the Oil Program made several presentations to trade organizations, environmental task forces, and state governments on the new SPCC rule, oil spill response, and oil enforcement. For example, the Oil Program presented an update on the SPCC rulemaking process to the California State Lands Commission and provided general SPCC and oil spill response information to oil industry representatives and governmental agencies at the Prevention First Conference. In addition, the Oil Program presented information on its role in oil enforcement to the Los Angeles Area, Northern California District, and San Joaquin Environmental Task Forces.

SUMMARY OF OIL PROGRAM FY04 ACTIVITIES AND ACCOMPLISHMENTS

FY04 created many new opportunities for the Oil Program that resulted in significant accomplishments throughout the year. This year, the Oil Program focused significant effort on targeting SPCC inspections and FRP unannounced exercises at facilities that presented a significant risk to human health and the environment. Sixty-seven SPCC inspections were conducted in California and Arizona and 12 FRP unannounced exercises were completed in California and Nevada. A majority of the inspections and exercises resulted in compliance or minor noncompliance with the SPCC and FRP regulations, illustrating that these facilities can adequately prevent or respond to an oil spill. In addition to the inspections and exercises, the Oil Program also assisted EPA emergency response personnel on 8 oil spills where EPA provided oversight of cleanup activities. For moderate or severe SPCC or oil discharge violations, the Oil Program initiated enforcement actions for the specific violation. In FY04, the Oil Program initiated 23 enforcement actions against facilities for SPCC violations or oil discharge. Of these, 14 enforcement actions were attributed to ESAs, which were issued for the first time in Region 9 this year.

These accomplishments demonstrate the Oil Program's overall goal to minimize the number, size, and impact of oil spills into waterways and environmentally sensitive areas in Region 9. In FY05, the Oil Program plans to continue to improve its activities related to several functional areas, such as initiating ESAs for oil spill enforcement. Therefore, the Oil Program is committed to improving oil compliance within Region 9 and will continue to work cooperatively with industry and other governmental agencies to prevent or better respond to the release of oil to protect human health and the environment.

HIGHLIGHTS OF FY04 ACCOMPLISHMENTS

- Conducted 67 SPCC inspections
- Conducted 14 FRP reviews and 12 FRP unannounced exercises
- Responded to 8 oil spills
- Issued 8 APOs for SPCC and oil discharge violations
- Concluded 9 APOs for SPCC and oil discharge violations
- Issued 4 UAOs for the cleanup of oily sites
- Submitted 2 Judicial Referrals

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